



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345

<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:
3160 / (UT922000)
UTU82680X

FEB 29 2016

FILED

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**SECRETARY, BOARD OF
OIL, GAS & MINING**

Board of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Docket 2016-006, Cause No. 166-08
Spacing Request – MM FED 26-23-29-24

Gentlemen:

The Bureau of Land Management (BLM) has reviewed the referenced Request for Agency Action affecting lands within and outside of the Middle Mesa Federal Exploratory Unit.

The petitioner has requested a special drilling unit for the Middle Mesa Federal 26-23-29-24 directional well for the production of gas and associated oil and hydrocarbons from the Hermosa Formation covering the following lands:

Township 29 South, Range 24 East, SLM, San Juan County, Utah

Section 26: SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$

(Containing 20.00 acres more or less)

The Hermosa Formation is defined as:

"that interval between the stratigraphic equivalence of 4,089 feet (MD) and 5,796 feet (MD), as shown on the Gamma Ray Log of the Middle Mesa Federal 26-23-29-24 Well, with a surface hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 26, T29S, R24E, SLM"

The applicant has requested the Board issue an order:

- a) establishing a special drilling unit for the Middle Mesa Federal 26-23-29-24 directionally drilled well for the production of gas and associated oil and hydrocarbons from the Hermosa Formation (as defined above), comprised of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ and

- SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26, Township 26 South, Range 24 East, SLM, San Juan County, Utah, retroactive to October 1, 2014, the date of first production from said Well;
- b) providing that no new well producing from the Hermosa Formation (as defined above) may be located closer than 460 feet from any portion of the Subject Well located within said Formation without an exception location approval by the Division or Board in accordance with Utah Admin. Code Rule R649-3-3;
 - c) providing said Order shall be suspended without further order of the Board if and as of the effective date of the determination by the BLM that all of the Subject Lands be included within a Unit participating area. In such event, CCI, or its successor Unit Operator, shall provide to the Board's secretary a copy of the BLM Decision Letter reflecting such determination so the Board's records may be properly noted to reflect such suspension becoming effective;
 - d) making such findings and orders in connection with this Request as it deems necessary; and
 - e) providing for such other and further relief as may be just and equitable under the circumstances.

The BLM supports the request.

If you should have any questions regarding this letter, please contact Michael Coulthard of this office at (801) 539-4042.

Respectfully submitted this 29th Day of February, 2016.

Sincerely,



Roger L. Bankert
Chief, Branch of Minerals

Cc: CCI Paradox Upstream LLC
Attention: Anna K. Hudson - Associate Director, Landman
811 Main Street, Suite 1500
Houston, TX 77002

Frederick M. MacDonald, Esq.
MACDONALD & MILLER MINERAL
LEGAL SERVICES, PLLC
7090 S. Union Park Ave,
Midvale Utah, 84047

BLM Moab Field Office Manager (UTY01)

UDOGM



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UTU82680X

FEB 29 2016

Landman
2/24/2016
M.C. W.K. L.K.
BA 2/29/16

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P.O. Box 145801
Salt Lake City, Utah 84114-5801

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/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

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7090 S. Union Park Ave,
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BLM Moab Field Office Manager (UTY01)

UDOGM

bcc: Middle Mesa Unit File
UT920 – Reading File
Agr. Sec. Chron.
MCoulthard:mc:2-24-16